

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-04 PRS-01 USIA-15 INT-08 NEA-10 EA-11

SCEM-02 DOTE-00 DRC-01 /208 W
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R 241503Z OCT 73

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 7636

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION NATO

USMISSION GENEVA

AMCONSUL ZAGREB

UNCLAS BELGRADE 4807

E.O. 11652: N/A

TAGS: EFIN, YO

SUBJECT: LARGE EURODOLLAR LOAN PENDING TO YUGOSLAV BANK
CONSORTIUM

REF: BELGRADE 4591

1. PRESS AND TANJUG WIRE SERVICE REPORT IMPENDING AGREEMENT ON \$64 MILLION EURODOLLAR LOAN TO CONSORTIUM OF SEVEN YUGOSLAV COMMERCIAL BANKS. LENDERS INCLUDE US, JAPANESE AND EUROPEAN BANKS. TERMS REPORTED AS VERY FAVORABLE; TEN YEARS WITH INTEREST PEGGED AT ONE PERCENT OVER LONDON INTERBANK RATE.

2. LOAN IS TO BE USED TO FINANCE PRIORITY PROJECTS IN ENERGY, FERROUS AND NON-FERROUS METALLURGY, RAILWAYS AND OTHER PROJECTS.

3. LOAN WILL BE APPORTIONED AMONG FOLLOWING BANKS: ECONOMIC BANK
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OF SARAJEVO (\$5.3 MILLION); INVESTMENT BANK OF TITOGRAĐ (\$2.6

MILLION); STOPANSKA BANKA SKOPJE (\$6.6 MILLION); LJUBLJANSKA BANKA (\$10.4 MILLION); BEOGRADSKA BANKA (\$17.5 MILLION); VOJVODANSKA BANKA (\$16.2 MILLION); BANK OF KOSOVO (\$5.3 MILLION). LJUBLJANSKA AND BEOGRADSKA BANKS WERE THE PRINCIPAL YUGOSLAV NEGOTIATORS WITH THE FOREIGN SYNDICATE.

4. NEW LOAN RAISES TOTAL YUGOSLAV EURODOLLAR BORROWINGS IN 1973 TO \$184.5 MILLION ACCORDING TO EMBASSY'S INFORMAL ACCOUNTING. LOAN IS ALSO FIRST JOINT ACTION BY YUGOSLAV BANKS IN FOREIGN FINANCIAL MARKETS SINCE CALL BY NATIONAL BANK GOVERNOR SEVERAL MONTHS AGO FOR END TO HARMFUL COMPETITION AMONG YUGOSLAV BANKS SEEKING CREDITS ABROAD. INTEREST MARGIN OF ONE PERCENT OVER LONDON INTERBANK RATE IS LOWEST MARGIN YET ACHIEVED BY YUGOSLAVS IN EURODOLLAR MARKET.
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Message Attributes

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TAGS: EFIN, YO
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